

AMENDED IN SENATE JULY 21, 2003

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 382

Introduced by Assembly Member Correa

February 14, 2003

An act to amend Section ~~9882 of the Business and Professions Code, relating to automotive repair~~, 17133 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 382, as amended, Correa. ~~Automotive repair~~ Taxation: tax-exempt bonds: Indian tribal government.

The Personal Income Tax Law and the Corporation Tax Law impose a tax on individual and corporate taxpayers, respectively, measured by the amount of the taxpayer's taxable income for the taxable year, but exclude certain items of income from the computation of tax. Those laws, in conformity with the federal income tax laws, exempt from tax interest on bonds issued by this state or a local government in this state.

This bill would additionally exempt from taxation interest on bonds issued by a federally recognized Indian tribal government located in this state.

This bill would take effect immediately as a tax levy.

~~Existing law, the Automotive Repair Act, provides for the regulation of automotive repair dealers by the Bureau of Automotive Repair in the Department of Consumer Affairs. Existing law authorizes the Director of Consumer Affairs to adopt and enforce rules and regulations that he~~

or she determines are reasonably necessary to carry out the purposes of the bureau, including rules and regulations establishing a system for the issuance of citations for violations of the act.

~~This bill would require the director to adopt regulations implementing a system for the issuance of citations on or before April 1, 2004.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 9882 of the Business and Professions~~
2 ~~Code is amended to read:~~

3 ~~9882. (a) There is in the Department of Consumer Affairs a~~
4 ~~Bureau of Automotive Repair under the supervision and control of~~
5 ~~the director. The duty of enforcing and administering this chapter~~
6 ~~is vested in the chief who is responsible to the director.~~

7 ~~(b) (1) The director may adopt and enforce those rules and~~
8 ~~regulations that he or she determines are reasonably necessary to~~
9 ~~carry out the purposes of this chapter and declaring the policy of~~
10 ~~the bureau, including a system for the issuance of citations for~~
11 ~~violations of this chapter as specified in Section 125.9.~~

12 ~~(2) The director shall adopt regulations implementing Section~~
13 ~~125.9 on or before April 1, 2004.~~

14 ~~(3) Rules and regulations adopted under this subdivision shall~~
15 ~~be adopted pursuant to Chapter 4.5 (commencing with Section~~
16 ~~11371) of Part 1 of Division 3 of Title 2 of the Government Code.~~

17
18 ~~SECTION 1. Section 17133 of the Revenue and Taxation Code~~
19 ~~is amended to read:~~

20 ~~17133. (a) Income which this state is prohibited from taxing~~
21 ~~includes interest on bonds issued by this state or, a local~~
22 ~~government in this state, and the or a federally recognized Indian~~
23 ~~tribal government located in this state.~~

24 ~~(b) The determination of whether a bond is issued by this state~~
25 ~~or, a local government in this state, or a federally recognized~~
26 ~~Indian tribal government located in this state shall be made~~
27 ~~without regard to (a) (1) the source of payment of that bond or the~~
28 ~~security for that bond, public or private, and (b) (2) whether or not~~
29 ~~public improvements are financed. If~~

1 (c) *If there is at any time following the original issuance of such*
2 *a that* bond a separation in ownership between the bond and any
3 right to receive interest on the bond (whether or not evidenced by
4 a coupon), payments or accruals on that stripped bond and stripped
5 coupon shall be treated in a manner consistent with Section
6 1286(d) of the Internal Revenue Code.

7 *SEC. 2. This act provides for a tax levy within the meaning of*
8 *Article IV of the Constitution and shall go into immediate effect.*

